



FEMA

Mandatory Insurance is a federal lending policy...

Congress mandated federally regulated or insured lenders to require flood insurance for structures on properties that are located in areas at high risk of flooding.

Lenders must require flood insurance when... (all of the following are present)

1. A lender makes, renews, extends, or increases a loan
2. That collateral is or will be located in a high-risk flood area depicted on a currently effective flood hazard map
3. That loan is from a federally regulated or insured lender
4. The loan is secured by improved real estate (a building or personal property within a building)
5. The loan term is at least for one year and the loan amount is at least \$5,000.
6. The community participates in the National Flood Insurance Program

Important questions to ask about insurance...

Due to recent changes in flood insurance rates, it is more important than ever to understand the policy your agent sells you. Ask your agent these questions to help you get the policy you need to protect your investment, satisfy mandatory purchase requirements and pay only for what you need:

1. How much will my next flood insurance premium be?
2. Am I affected by recent changes in the National Flood Insurance Program?
3. What flood zone do I live in?
4. What is my property's flood risk?
5. How can an Elevation Certificate lower my rates?
6. How do I get an elevation certificate?
7. Is flood insurance mandatory for my property? Why
8. How much coverage am I required to buy?
9. How can I reduce my premium?
10. Do I qualify for a Preferred Risk Policy?
11. What is the Community Rating System, I heard that belonging could reduce my rate, how?
12. Does my community participate in the NFIP Community Rating System (CRS)?
13. What is covered in the rest of the house?
14. What is covered in my basement?
15. How will my premium costs be affected if I get Building Only, Contents Only, or Building & Contents?
16. How will my premium costs be affected if I choose a higher deductible?

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17. Are there additional expenses or fees to my policy?
18. What is Increased Cost of Compliance (ICC) and when can I use it?
19. What is the difference between sewer and sump pump coverage and flood insurance?
20. With the new flood insurance laws, what happens when I sell my home?
21. May I see the flood maps?
22. How do you determine if I am in a high-risk flood area?
23. Is coverage for other structures (e.g.fencing, garages) covered under my flood insurance policy?
24. What Property is covered?
25. What other types of coverage are there in this policy?
 - Debris removal
 - Loss avoidance
26. What exclusions should I know about?
27. How does this affect my home owner's policy?
28. Can I be dropped if I make a claim?
29. I live in a condominium, what coverage would I need?

For more information about the National Flood Insurance Program and flood insurance, try www.FloodSmart.gov or call FloodSmart at 1-888-379-9531. This NFIP site also lists independent insurance agents who sell flood insurance underwritten by FEMA.

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